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**PROPOSED COUNSEL FOR DEBTORS AND DEBTORS IN POSSESSION**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

<b>IN RE:</b>	§ CASE NO. 20-31318-hdh11
<b>GGI HOLDINGS, LLC, et al.,</b>	§
<b>DEBTORS.<sup>1</sup></b>	§ CHAPTER 11
	§
	§ (Jointly Administered)
	§

**DEBTORS' (I) MOTION FOR ENTRY OF AN ORDER AUTHORIZING  
THE DEBTORS TO PAY PRE-PETITION CLAIMS OF AN ADDITIONAL  
CRITICAL VENDOR AND (II) MOTION TO AMEND ORDER AUTHORIZING  
THE DEBTORS TO PAY PRE-PETITION CLAIMS OF CRITICAL VENDORS [ECF NO. 58]**

GGI Holdings, LLC and its affiliates (collectively, the "Debtors"), debtors and debtors-in-possession in the above-captioned chapter 11 cases (the "Cases"), hereby file this *Debtors' (I) Motion for Entry of an Order Authorizing the Debtors to Pay Pre-petition Claims of an Additional Critical Vendor and (II) Motion to Amend Order Authorizing the Debtors to Pay Pre-petition Claims of Critical Vendors [ECF No. 58]* (the "Motion"), seeking entry of an order substantially in the form attached hereto as **Exhibit A** (the "Amended Order"), amending the *Order Authorizing*

<sup>1</sup> The debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: GGI Holdings, LLC (1222); Gold's Gym International, Inc. (3614); Gold's Holding Corp. (3610); Gold's Alabama, LLC (0520); Gold's Gym Franchising, LLC (5009); Gold's Gym Licensing, LLC (5013); Gold's Gym Merchandising, LLC (4892); Gold's Gym Rockies, LLC (7129); Gold's Louisiana, LLC (9825); Gold's North Carolina, LLC (3221); Gold's Ohio, LLC (4396); Gold's Oklahoma, LLC (7577); Gold's St. Louis, LLC (4827); Gold's Southeast, LLC (9382); and Gold's Texas Holdings Group, Inc. (8156). The Debtors' mailing address is 4001 Maple Avenue, Suite 200, Dallas, Texas 75219.

*the Debtors to Pay Pre-petition Claims of Critical Vendors [ECF No. 58]* (the “Critical Vendor Order”) to include an additional critical vendor, Southwest Media Group (“SMG”). In Support of the Motion, the Debtors respectfully represent as follows:

**I. PRELIMINARY STATEMENT AND RELIEF REQUESTED**

1. The Debtors presently boast one of the largest networks of company-owned and franchised fitness centers in the world, with nearly 700 gyms worldwide. The business began with a single location in Venice Beach, California, in 1965, began a franchising in the early 1980s and has grown into a global icon with nearly 700 locations serving approximately 3 million people across six continents each day. Today, the Debtors own and operate approximately 95 gyms domestically, and hold franchise agreements for more than 600 gyms domestically and internationally. A more detailed history of the Debtor’s operations and successes are discussed in the *Declaration of Adam Zeitsiff in Support of the Debtors’ Chapter 11 Petition and First Day Relief* (the “First Day Declaration”), filed previously in these Cases and incorporated herein.

2. On May 7, 2020, the Court entered the Critical Vendor Order, authorizing the Debtors to pay the prepetition claims of certain vendors the Debtors deemed critical to their going concern. The Debtors did not include SMG in the initial Critical Vendor motion filed on the Petition Date (as defined below) because, at the time, the Debtors believed that they could cure any outstanding amounts owed to SMG as part of a contract assumption at the time of confirmation. Since that time, the Debtors have learned that there are more pressing matters that cannot wait until confirmation.

3. SMG is the Debtors’ media buyer for the Gold’s Gym Advertising Program (“GGAP”), a fund which is comprised of monthly contributions paid by franchisees on a per-gym basis. The Debtors (through SMG) make national advertising buys on behalf of the entire brand

in order to promote both company-owned and franchise-owned gyms. The Debtors then pay SMG from funds collected from the GGAP. Due to the COVID-19 shutdowns, and the timing associated with the processing of invoices and collection of GGAP funds, the Debtors were unable to pay SMG for all media buys placed before the bankruptcy filing. The Debtors learned recently that the impact of not catching up on payments due to SMG until confirmation will negatively impact the Debtors—media vendors like Google, Facebook, Instagram, and other social media vendors will stop placing ads for the brand. In an effort to avoid this scenario, the Debtors ask for authority to add SMG to the Critical Vendor Order, but only for a portion of their total claim.

4. According to the Debtors' schedules filed on May 18, 2020, the Debtors owe SMG \$3,354,282.17. *See* Case No. 20-31320-hdh11, ECF No. 13. By this Motion, the Debtors propose to pay SMG as follows:

- a. \$250,000 immediately, in order to pay Google to bring all Gold's Gym accounts current; and
- b. \$735,000 over the next nine (9) weeks under the current DIP budget period, as necessary to bring the GGAP account current on behalf of the Debtors' franchisees.

## II. JURISDICTION, VENUE, AND BACKGROUND

5. On May 4, 2020 (the "Petition Date"), the Debtors each filed a voluntary petition in this Court for reorganization relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors continue to operate their businesses and manage their properties as debtors and debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has yet been appointed in any of these Cases. The Official Committee of Unsecured Creditors was appointed on May 15, 2020. *See* ECF No. 129.

6. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in the Northern District of Texas pursuant to 28 U.S.C. §§ 1408 and 1409.

7. The statutory predicates for the relief requested herein are sections 105(a), 363, and 364 of the Bankruptcy Code and Rules 6003(b) and 6004(h) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

### **III. SMG IS A CRITICAL VENDOR**

8. The Debtors have undertaken a thorough review of their accounts payable and their list of pre-petition Vendors to identify those Vendors who are essential to the Debtors’ operations. In analyzing which Vendors, if any, should be deemed Critical Vendors, the Debtors identified those Vendors that are most essential to the Debtors’ operations using the following criteria:

- a. whether the vendor in question is a “sole-source” or “limited source” provider;
- b. the costs and delay associated with identifying and qualifying a replacement;
- c. whether the Debtors receive advantageous pricing or other terms from a Vendor such that replacing the Vendor post-petition would result in significantly higher costs to the Debtors; and
- d. the overall impairment on the Debtors’ operations that would result if the particular Critical Vendor ceased or delayed services.

9. The Debtors believe that the foregoing payments to SMG satisfy these conditions. SMG is responsible for ad placements for the Debtors and their franchisees. Failure to pay SMG a portion of its claim now will result in significant impairment if the Debtors and their franchisees

are no longer able to place ads on social media sites like Facebook, Instagram and Google. Delaying payment is simply not an option. The Debtors have attempted to negotiate with SMG in good faith. The result of such negotiations is this Motion, the partial payment of SMG's pre-petition claim, which is essentially a passthrough for SMG to its media vendors. The Debtors will continue to work with SMG on the total amount due to SMG and whether SMG will provide more favorable terms going forward.

#### IV. ARGUMENTS AND AUTHORITY

10. Without the relief requested in this Motion, the Debtors will be forced to expend valuable time and resources seeking replacement of critical services, possibly on unfavorable economic terms as compared to the terms offered by the SMG. Therefore, to minimize the disruption of the Debtors' operations, the Debtors have determined that relief requested herein is in the best interests of the Debtors, their estates, and their creditors.

11. The Court's equitable powers are codified in section 105(a) of the Bankruptcy Code. Section 105(a) of the Bankruptcy Code empowers the Court to "issue any order, process, or judgment that is necessary to carry out the provisions of this title." 11 U.S.C. § 105(a). A bankruptcy court's use of its equitable powers to "authorize the payment of pre-petition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept." *See In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (citing *N.L.R.B. v. Bildisco & Bildisco (In re Bildisco)*, 465 U.S. 513, 528 (1984)). Under section 105(a), a court "can permit a pre-plan payment of a pre-petition obligation when essential to the continued operation of the debtor." *In re NVR, L.P.*, 147 B.R. 126, 127 (Bankr. E.D. Va. 1992).

12. Section 363(b)(1) of the Bankruptcy Code authorizes the trustee to use property of the estate other than in the ordinary course of business after notice and a hearing. 11 U.S.C.

§ 363(b)(1). Pursuant to Bankruptcy Rule 6003(b), authorization to utilize property of the estate, “including a motion to pay all or part of a claim that arose before the filing of the petition[.]” may not be granted in the first 21 days of a bankruptcy case, except “to the extent that relief is necessary to avoid immediate and irreparable harm[.]” FED. R. BANKR. P. 6003(b).

13. The “necessity of payment” rule further supports the relief requested herein. *See, e.g., In re Just for Feet, Inc.*, 242 B.R. 821, 826 (D. Del. 1999) (authorizing payment of pre-petition claims of trade creditors that continue customary trade terms). The “necessity of payment” doctrine “recognizes the existence of the judicial power to authorize a debtor in a reorganization case to pay pre-petition claims where such payment is essential to the continued operation of the debtor.” *Ionosphere Clubs*, 98 B.R. at 176; *In re Chateaugay Corp.*, 80 B.R. 279 (S.D.N.Y. 1987). This rule is consistent with the paramount goal of the chapter 11 process: facilitating the continued operating and rehabilitation of a debtor. *See Ionosphere Clubs*, 98 B.R. at 176.

14. Courts in this District have approved the payment of certain critical vendors for pre-petition claims. *See In re Mirant Corp.*, 296 B.R. 427, 429–30 (Bankr. N.D. Tex. 2003); *In re CoServ, L.L.C.*, 273 B.R. 487, 498 (Bankr. N.D. Tex. 2002). First, a critical vendor must be “virtually indispensable to profitable operations or preservation of the estate.” *Coserv*, 273 B.R. at 498. Second, a debtor must demonstrate that “economical gain to the estate or the going concern value of the business will result or that serious economic harm will be avoided through payment of the prepetition claim, which itself is materially less than the potential loss to the estate or business.” *Id.* at 498–99. Third, there must be “no practical or legal alternative by which the debtor can deal with the [critical vendor] other than by payment of the claim.” *Id.* at 498. Additionally, the *Mirant Corp.* court noted that payment of critical vendors was commonplace in some jurisdictions and recognized that “a vendor might condition future dealings with [a debtor]

on payment of its prepetition claim, whether or not payment of that claim could be justified under *In re Coserv.*” *Mirant Corp.*, 296 B.R. at 429. Thus, the *Mirant Corp.* court permitted the payment of certain critical vendors’ pre-petition claims without the necessity of the debtor proving *CoServ*’s three elements.

15. Here, the consequences of the failure of SMG to continue placing ads for the Debtors and their franchisees would be disastrous and immediately impact and compromise the Debtors’ operations and reputation. The Debtors’ ability to generate post-petition income and operate their businesses depends on their ability to place ads in the ordinary course of business. Therefore, the payment of the amounts set forth above to SMG is critical to the Debtors’ successful reorganization in these Cases.

16. The Debtors submit that nothing in this Motion is intended or should be construed: (a) as an admission as to the validity of any claim or lien, including, but not limited to, any claim or lien of a Critical Vendor against the Debtors or their estates; (b) as a waiver of the Debtors’ right to dispute any claim, including, but not limited to, any claim asserted by a Critical Vendor; (c) as approval or assumption of any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; or (d) to prejudice any of the Debtors’ rights to seek relief under any section of the Bankruptcy Code on account of any amounts owed or paid to any Critical Vendor.

#### **V. BANKRUPTCY RULE 6003 IS SATISFIED**

17. Bankruptcy Rule 6003 provides that “[e]xcept to the extent that relief is necessary to avoid immediate and irreparable harm, the court shall not, within 20 days after the filing of the petition, grant . . . (b) a motion to use, sell, lease or otherwise incur an obligation regarding property of the estate including a motion to pay all or part of a claim that arose before the [Petition Date.]” FED. R. BANKR. P. 6003. As discussed above, the payment of the Critical Vendor Amounts

is imperative to prevent the immediate and irreparable harm to the Debtors' operations, going concern value, confidence in customers of the Debtors, and thus the Debtors' ability to reorganize. Accordingly, the relief requested herein is consistent with Bankruptcy Rule 6003.

18. For all the foregoing reasons, the Debtors seek authority, in their discretion, pursuant to sections 105(a), 363, and 506(b) of the Bankruptcy Code to pay \$985,000 to SMG as outlined above.

#### **VI. REQUEST FOR WAIVER OF STAY**

19. By this Motion, the Debtors seek a waiver of any stay of the effectiveness of the Proposed Order. Pursuant to Bankruptcy Rule 6004(h), "[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise." Fed. R. Bankr. P. 6004(h). As set forth above, the Debtors require immediate relief to continue ordinary business operations for the benefit of customers and all parties in interest. Accordingly, the Debtors submit that ample cause exists to justify a waiver of the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent that it applies.

#### **VIII. PRAYER**

WHEREFORE, the Debtors respectfully request that this Court enter the Amended Order, (i) authorizing the Debtors to pay \$985,000 to SMG on the terms set forth herein, and (ii) granting such other and further relief as is just and proper.



Dated: May 22, 2020

Respectfully submitted,

**DYKEMA GOSSETT PLLC**

By: /s/ Aaron M. Kaufman

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**PROPOSED COUNSEL FOR DEBTORS  
AND DEBTORS IN POSSESSION**

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on the 22nd day of May, 2020, a true and correct copy of the foregoing document was filed with the Court and served electronically upon those parties registered to receive electronic notice via the Court's CM/ECF system and by first-class U.S. mail upon the parties on the attached Limited Service List, which includes SMG.

/s/ Danielle N. Rushing

Danielle N. Rushing

In re:  
GGI Holdings, LLC, et al.  
Limited Service List  
Case No. 20-31318-hdh

DESCRIPTION	NAME	NOTICE NAME	ADDRESS 1	ADDRESS 2	CITY	STATE	POSTAL CODE	COUNTRY	PHONE	FAX	EMAIL
Top Creditor	1431 SC, LTD		500 West 5th Street	Suite 700	Austin	TX	78701				
Top Creditor	35/WCD Century South K/C, LTD		101 W. 6th Street	Suite 300	Austin	TX	78701				
Top Creditor	5001 Convict Hill Partnership, LTD		11940 Jollyville Road	Suite 300-S	Austin	TX	78759				
Top Creditor	6001 Middle Fiskville, LP		PO Box 9190		Austin	TX	78766				
Top Creditor	635 Gravois Road Leasing, LLC		911 East County Lane Road 206		Lakewood	NJ	08701				
Top Creditor	7650 FM78 Leasing, LLC		911 East County Lane Road 206		Lakewood	NJ	08701				
Top Creditor	AAT Alamo Quarry, LLC		1455 El Camino Real	Suite 200	San Diego	CA	92130				
Top Creditor	AAT Alamo Quarry, LLC		9595 Wilshire Blvd	Suite 700	Beverly Hills	CA	90212				
Top Creditor	ADP, Inc - Boston		PO Box 842875		Boston	MA	02284-2875		770-360-8481		adpwirepayments@adp.com
Top Creditor	Aerobic (MO), LLC		50 Rockefeller Plaza		New York	NY	10020				
Top Creditor	Alpine Preston Center, LLC		PO Box 734148		Dallas	TX	75373-4148				
Top Creditor	Amargosa Palmdale Investments, LLC		9301 Wilshire Blvd	Suite 206	Beverly Hills	CA	90210				
Top Creditor	AVG Fitness Txok, LLC		9595 Wilshire Blvd	Suite 700	Beverly Hills	CA	90212				
Top Creditor	BAFCO III, LLC		3860 Gloucester Dr		Lexington	KY	40510				
Counsel to Spirit GG O'Fallon MO, LLC, et al.	Ballard Spahr, LLP	Attn: C. S. Ganz, K. E. Anderson Sanchez	1 East Washington Street	Suite 2300	Phoenix	AZ	85004-2555				andersonsanchezk@ballardspahr.com
Pre-Petition Lender	Bank of America, NA	c/o Louis R. Strubeck	Norton Rose Fulbright US LLP	2200 Ross Avenue	Dallas	TX	75201-7932				
Texas Comptroller of Public Account	Bankruptcy & Collections Div MC 008	Attn: E. Stuart Phillips	Assistant Attorney General	PO Box 12548	Austin	TX	78711-2548		(512) 475-4861	(512) 936-1409	bk-sphillips@oag.texas.gov
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Counsel to 5001 Convict Hill Partnership, Ltd.	Barron & Newburger, P.C.	Attn: Barbara M. Barron; Stephen W. Sather	7320 N. Mopac Expwy,	Ste 400	Austin	TX	78731		(512) 476-9103		bbather@bn-lawyers.com
Top Creditor	Bensussen Deutsch & Associates LLC		15525 Woodinville-Redmond Rd NE		Woodinville	WA	98072		512-244-7946		mayela@commercialswim.com
Top Creditor	Boniuk Interests, LTD		3720 San Jacinto St		Houston	TX	77004				
Counsel to H-E-B, LP	Branscomb PLLC	Attn: Patrick H. Autry	8023 Vantage Drive	Suite 560	San Antonio	TX	78230		210-598-5400	210-598-5405	pautry@branscomblaw.com
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Top Creditor	Chengdu, LLC		5886 DeZavala Rd	Suite 102 #501	San Antonio	TX	78249				
Top Creditor	Commercial Swim Management		PO Box 952		Hutto	TX	78634		770-360-8481		adpwirepayments@adp.com
Texas Comptroller of Public Account	Comptroller of Public Account		PO Box 149359		Austin	TX	78774				
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Debtors' Counsel	Dykema Gossett PLLC	Attn: Danielle N. Rushing	112 East Pecan Street	Suite 1800	San Antonio	TX	78205		(210) 554-5500	(210) 226-8395	drushing@dykema.com
Top Creditor	EC Foundation Quail, LLC		P.O. Box 205110		Dallas	TX	75320-5110				
Top Creditor	Ecova, Inc.		1313 North Atlantic,	Suite 5000	Spokane	WA	99201		509-329-7426		accountsreceivable.insight@engie.com
Top Creditor	Encino Pinnacle Owner II, LLC		12950 Country Parkway	Suite 180	San Antonio	TX	78216				
Unsecured Creditors' Committee Member	Encino Pinnacle Owner II, LP	c/o Dan Deichert	7247 Meadow Lake Avenue		Dallas	TX	75214		(214) 632-2463		dandeichert@gmail.com
Top Creditor	Europa Sports Products, LLC		11401 H Granite Street		Atlanta	GA	30384-7440		800-477-4795 ext 1178		penniesmith@EuropaSports.com

In re:  
GGI Holdings, LLC, et al.  
Limited Service List  
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DESCRIPTION	NAME	NOTICE NAME	ADDRESS 1	ADDRESS 2	CITY	STATE	POSTAL CODE	COUNTRY	PHONE	FAX	EMAIL
Counsel to JVRC Associates LLP	Fishman Jackson Ronquillo PLLC	Attn: Mark H. Ralston	Three Galleria Tower	13155 Noel Road, Suite 700	Dallas	TX	75240		(972) 419-5544	(972) 419-5501	mralston@fjrpllc.com
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Debtors' Financial Advisors	GlassRatnerAdvisory&CapitalGroup LLC	Attn: Mark Shapiro	3500 Maple Avenue,	Suite 420	Dallas	TX	75219				mshapiro@glassratner.com
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Top Creditor	GTT Parking, LP		804 Congress Ave	Ste 300	Austin	TX	78701				
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Top Creditor	James P. Argyropoulos Trust		1244 Sixth Street		Santa Monica	CA	90401				
Top Creditor	Jeffrey R. Melichar		11712 Moonpark St	Ste 201B	Studio City	CA	91604				
Top Creditor	JMC Ranch West Creek, LLC		201 W. 5th St	Suite 1200	Austin	TX	78701				
Secured Lender	JPMorganChaseBank NA as Admin Agent	c/o Louis R. Strubeck	Norton Rose Fulbright US LLP	2200 Ross Avenue	Dallas	TX	75201-7932				
Top Creditor	JVRC Associates, LLP		895 Central Ave	STE 600	Cincinnati	OH	45202				
Unsecured Creditors' Committee Member	JVRC Associates, LLP	c/o Lori Kurtz	4779 North Academy Blvd.		Colorado Springs	CO	80918		719-492-1024		lkurtz@aol.com
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Unsecured Creditors' Committee Member	Les Mills United States Trading	c/o Kimberly DiNino	363 W. Erie Street,	Suite 200	Chicago	IL	60607		(847) 528-0033		Kim.dinino@lesmills.com
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Counsel for Montgomery County; Harris County	Linebarger Goggan Blair & Sampson	Attn: John P. Dillman	PO Box 3064		Houston	TX	77253-3064		(713) 844-3400	(713) 844-3503	houston_bankruptcy@publicans.com
Counsel to Nueces County, Cameron County, et al.	Linebarger Goggan Blair & Sampson LLP		PO Box 17428		Austin	TX	78760-7428		(512) 447-6675	(512) 443-5114	austin.bankruptcy@publicans.com
Counsel for Texas Taxing Authorities	McCreary Veselka Bragg & Allen PC	Attn: Tara LeDay	State Bar Number 24106701	P.O. Box 1269	Round Rock	TX	78680		(512) 323-3200	(512) 323-3205	tleday@mvbalaw.com
Counsel to Gold's Gym Franchise Association	McGuire, Craddock & Strother, P.C.	Attn: J. Mark Chevallier	500 North Akard Street,	Suite 2200	Dallas	TX	75201		214-954-6800	214-954-6868	mchevallier@mcslaw.com
Top Creditor	MDC Coast 18, LLC		11995 El Camino Real		San Diego	CA	92130				

In re:  
GGI Holdings, LLC, et al.  
Limited Service List  
Case No. 20-31318-hdh

DESCRIPTION	NAME	NOTICE NAME	ADDRESS 1	ADDRESS 2	CITY	STATE	POSTAL CODE	COUNTRY	PHONE	FAX	EMAIL
Top Creditor	Morpheus Labs Inc		423 6th St South		Kirkland	WA	98033		501-748-5284		wci.electronic.payments@windstream.com
Top Creditor	Motionsoft, INC.		1451 Rockville Pike,	Suite 500	Rockville	MD	20852		425-739-9295		joel@8weeksout.com
Counsel to JVRC Associates, LLP	Mulliken Weiner Berg & Jolivet, PC	Attn: Murray I. Weiner	102 South Tejon,	Suite 900	Colorado Springs	CO	80903		719.635.8750	719.635.8706	weiner@mullikenlaw.com
Counsel to TIAA	Munsch Hardt Kopf & Harr, P.C.	Attn: Deborah M. Perry	500 N. Akard Street, Suite 3800		Dallas	TX	75201-6659		(214) 855-7500	(214) 855-7584	dperry@munsch.com
Top Creditor	Murphy Plaza, LLC		2100 McKinney Ave	STE 800	Dallas	TX	75201				
Counsel for Secured Lender	Norton Rose Fulbright US LLP	Attn: Kristian W. Gluck	2200 Ross Avenue		Dallas	TX	75201-7932		214 855 8210	214 855 8200	kristian.gluck@nortonrosefulbright.com
Counsel to JP Morgan Chase Bank, NA	Norton Rose Fulbright US LLP	Attn: LR Strubeck, Jr;KW Gluck;LL Smith	2200 Ross Avenue	Suite 3600	Dallas	TX	75201-7932		214-855-8000	214-855-8200	kristian.gluck@nortonrosefulbright.com
Attorney General of Texas	Office of the Attorney General of TX	Attn: JB Binford;JC Roy,Asst Atty Gen	Bankruptcy & Collections Division	P.O Box 12548- MC 008	Austin	TX	78711-2548		512/463-2173	512/936-1409	casey.roy@oag.texas.gov
Attorneys for Claimant	Perdue Brandon Fielder Collins	c/o Jeanmarie Baer	& Mott LLP	PO Box 8188	Wichita Falls	TX	76307		940-723-4323	940-723-8553	jbaer@pbfc.com
Counsel to Richardson ISD and Highland Park ISD	Perdue,Brandon,Fielder,Collins,Mott	c/o Eboney Cobb	500 E. Border Street, Suite 640		Arlington	TX	76010		(817) 461-3344	(817) 860-6509	ecobb@pbfc.com
Top Creditor	RBR Real Estate Holdings, LLC		4001 Maple Avenue	Suite 200	Dallas	TX	75219				
Counsel to BAFCO III, LLC	Reed Smith LLP	Attn: Keith M. Aurzada; Michael P. Cooley	2850 N. Harwood, Suite 1500		Dallas	TX	75201		469.680.4200	469.680.4299	kaurzada@reedsmith.com
Counsel to Encino Pinnacle Owner II LP	Rochelle McCullough, LLP	Attn: E. P. Keiffer;Paul M. Lopez	325 North St. Paul Street,	Suite 4500	Dallas	TX	75201		(214) 580-2525	(214) 953-0185	pkeiffer@romclaw.com
Top Creditor	San Antonio Fitness, LLC		9595 Wilshire Blvd	Suite 700	Beverly Hills	CA	90212				
Top Creditor	Southwest Media Group		1717 Main Street, Suite 4000		Dallas	TX	75201		214-562-5612		dbridgewater@2100rc.com
Top Creditor	Spirit GG O'Fallon MO, LLC		2727 North Harwood St	Suite 300	Dallas	TX	75201				
Top Creditor	Spirit GG St. Peters MO, LLC		2727 North Harwood St	Suite 300	Dallas	TX	75201				
Texas State Comptroller	State Comptroller		PO Box 149355		Austin	TX	78714-9355				
Counsel to Schnuck Markets, Inc.	Stone, Leyton & Gershman	Attn: E. Rebecca Case	A Professional Corporation	7733 Forsyth Blvd., Suite 500	St. Louis	MO	63105		(314) 721-7011	(314) 721-8660	erc@stoneleyton.com
Secured Lender	Store Master Funding V, LLC		8501 E. Princess Dr	Suite 190	Scottsdale	AZ	85255				
Top Creditor	Supplyworks		701 San Marco Blvd.		Jacksonville	FL	32207		888-704-7280 Ext 145352		megan_r_swan@homedepot.com
Top Creditor	Tejas Center, Ltd		1700 George Bush Drive East	Suite 240	College Station	TX	77840				
Top Creditor	The Eve Diamond Family, LP		PO Box 2606		Novato	CA	94947				
Top Creditor	The Raghian Family 2000 Trust		200 Concord Plaza Drive	Suite 860	San Antonio	TX	78216				
Top Creditor	The Universe of TX Health Science		Center at San Antonio	210 W. 7th St	Austin	TX	78701				
Counsel to Travis County	Travis County	Attn: Jason A Starks	PO Box 1748		Austin	TX	78767		512-854-9092	512-854-9316	Jason.Starks@traviscountytexas.gov
Majority Owner and DIP Lender	TRT Holding, Inc.		4001 Maple Ave.		Dallas	TX	75219				
Texas Comptroller of Public Accounts	TX Comptroller of Public Accounts	Attn: Austin Audit Office	1711 San Jacinto	Suite 410	Austin	TX	78711				
UST	United States Trustee		1100 Commerce Street	Room 976	Dallas	TX	75242				
DOJ	US Attorney's Office		Northern District of Texas	1100 Commerce Street, Third Floor	Dallas	TX	75242-1699				
Top Creditor	Vena Solutions USA, Inc.		1971 Western Avenue, #1125		Albany	NY	12203		416-207-1770		accountsreceivable@venacpm.com
Top Creditor	Vereit Real Estate, LP		2325 E. Camelback Road	9th Floor	Phoenix	AZ	85016				
Counsel to 6001 Middle Fiskville, LP	Waller Lansden Dortch & Davis, LLP	Attn: William "Trip" Nix, III	100 Congress Ave.,	Suite 1800	Austin	TX	78701		(512) 685-6400	(512) 685-6417	eric.taube@wallerlaw.com
Secured Lender	Wells Fargo Bank NA	c/o Louis R. Strubeck	Norton Rose Fulbright US LLP	2200 Ross Avenue	Dallas	TX	75201-7932				
Top Creditor	Westlake Retail, LP		500 West 5th Street	Suite 700	Austin	TX	78701				
Counsel for Secured Lender	Wick Phillips	Attn: Jason Rudd	3131 McKinney Avenue	Suite 100	Dallas	TX	75204		(214) 740-4038	(214) 692-6255	jason.rudd@wickphillips.com
Counsel to TRT Debt Funding LLC, TRT Holdings Inc	Wick Phillips Gould & Martin, LLP	Attn: Jason M. Rudd;Scott D. Lawrence	3131 McKinney Avenue,	Suite 100	Dallas	TX	75204		(214) 692-6200	(214) 692-6255	jason.rudd@wickphillips.com
Top Creditor	Windstream		P.O. Box 9001013		Louisville	KY	40290-1013		425-492-6111		arebilling@bdainc.com

# **Exhibit A**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

<hr/> <b>IN RE:</b>  <b>GGI HOLDINGS, LLC, <i>et al</i>,</b>  <b>DEBTORS.<sup>1</sup></b> <hr/>	<b>§ CASE NO. 20-31318-hdh11</b> <b>§</b> <b>§ CHAPTER 11</b> <b>§</b> <b>§ (Jointly Administered)</b> <b>§</b>
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**ORDER GRANTING (I) MOTION FOR ENTRY OF AN ORDER AUTHORIZING  
THE DEBTORS TO PAY PRE-PETITION CLAIMS OF AN ADDITIONAL  
CRITICAL VENDOR AND (II) MOTION TO AMEND ORDER AUTHORIZING  
THE DEBTORS TO PAY PRE-PETITION CLAIMS OF CRITICAL VENDORS [ECF NO. 58]**

The Court has considered *Debtors' (I) Motion for Entry of an Order Authorizing the Debtors to Pay Pre-petition Claims of an Additional Critical Vendor and (II) Motion to Amend Order Authorizing the Debtors to Pay Pre-petition Claims of Critical Vendors [ECF No. 58]* (the

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<sup>1</sup> The debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: GGI Holdings, LLC (1222); Gold's Gym International, Inc. (3614); Gold's Holding Corp. (3610); Gold's Alabama, LLC (0520); Gold's Gym Franchising, LLC (5009); Gold's Gym Licensing, LLC (5013); Gold's Gym Merchandising, LLC (4892); Gold's Gym Rockies, LLC (7129); Gold's Louisiana, LLC (9825); Gold's North Carolina, LLC (3221); Gold's Ohio, LLC (4396); Gold's Oklahoma, LLC (7577); Gold's St. Louis, LLC (4827); Gold's Southeast, LLC (9382); and Gold's Texas Holdings Group, Inc. (8156). The Debtors' mailing address is 4001 Maple Avenue, Suite 200, Dallas, Texas 75219.

“Motion”).<sup>2</sup> The Court finds that: (i) it has jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iii) the relief requested in the Motion is in the best interests of the Debtors, their estates, and their creditors; (iv) proper and adequate notice of the Motion has been given and that no other or further notice is necessary; (v) all objections to the Motion have been resolved by this Order or are overruled in their entirety; and (vi) upon the record herein, after due deliberation thereon, good and sufficient cause exists for the granting of the relief as set forth herein. **IT IS THEREFORE ORDERED** as follows:

1. The Motion is **GRANTED**, as set forth herein.
2. The Court’s *Order Authorizing the Debtors to Pay Pre-petition Claims of Critical Vendors* [ECF No. 58] (the “Critical Vendor Order”) is hereby amended to allow the Debtors in include Southwest Media Group as an additional Critical Vendor (as that term is defined in the Critical Vendor Order).
3. The Debtors, in their business judgment, are authorized, but not directed, to pay Southwest Media Group up to \$985,000, on the same terms as set forth the Critical Vendor Order, on the following schedule: (a) \$250,000 payable as soon as practicable upon entry of this order; and (b) \$735,000 payable over the subsequent nine (9) weeks following the entry of this Order.
4. Any payment or transfer made by the Debtors pursuant to this Order is not, and shall not be deemed, an admission as to the validity of the underlying obligation, a waiver of any rights the Debtors may have to dispute such obligation or waiver of any other rights or remedies of the Debtors, or an approval or assumption of any agreement, contract, or lease under section 365 of the Bankruptcy Code.

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Motion.

5. All banks or other financial institutions on which checks were drawn or electronic payment requests made in payment of such pre-petition obligations approved herein are authorized and directed to (i) receive, process, honor, and pay any and all checks and electronic payment requests when presented for payment (assuming that sufficient funds are then available in the Debtors' bank accounts to cover such payments) and (ii) rely on the Debtors' designation of any particular check or electronic payment request as approved by this Order.

6. The Debtors are authorized to reissue any check, electronic payment, or other transfer that was drawn in payment of any Critical Vendor claims that is not cleared by a depository.

7. Bankruptcy Rule 6003(b) has been satisfied.

8. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order, provided that such payments are consistent with budgets approved under separate orders of this Court authorizing continued use of cash collateral and authority to borrow funds.

9. The terms and conditions of this Order are immediately effective and enforceable upon entry.

10. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

**### END OF ORDER ###**



Submitted by:

Aaron M. Kaufman (TX Bar No. 24060067)

Ariel J. Snyder (TX Bar No. 24115436) (*pro hac vice* admission)

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AND DEBTOR-IN-POSSESSION**